
Policing and Crime Bill: summary reviews and arrangements for interim steps

Home Office

RPC rating: validated

Description of proposal

The proposal will amend the Licensing Act 2003 to reduce unnecessary burdens that arise as a result of steps taken in response to police concerns. The Licensing Act 2003 includes a process for fast track review of premises licensed for the sale of alcohol where the police consider that the premises are associated with serious crime or serious disorder. Pending the review, this process also enables the licensing authority to take ‘interim steps.’ The most common ‘interim steps’ used include restricting opening hours, suspending licences or removing designated supervisors.

The law is currently unclear regarding whether the interim steps cease to have effect after a review hearing but before the determination comes into force (for example where the business makes an appeal). It is also not clear whether the interim steps can be amended by the licensing authority. As a result some businesses continue to experience loss of income as a result of interim steps following review hearings. This is of particular concern when the interim steps are more punitive than the review hearing determination.

The proposal will provide access to an expedited appeal against interim steps, clarify licensing authorities’ ability to review and amend interim steps more closely to reflect review outcomes and provide greater legal certainty that interim steps (including any amendments) remain in place until a determination takes effect.

Impacts of proposal

During 2014, interim steps were imposed in 106 cases. These included licence suspension (65%), amended operating hours (16%) and removal of designated supervisors (14%). More than one step may have been imposed in a given case (such as amending operating hours and removing a designated supervisor).

In calculating the benefits of more rapid removal of interim steps after review hearings, the department uses profit estimates from the Association of Licensed Multiple Retailers (ALMR) to assess the likely impact of the most significant restriction in each case. Based on comments from licensing lawyers and licensing

authorities, the department also assumes that the rate of detriment increases the longer the same steps remain in place.

By enabling licensing authorities to review interim steps and providing for expedited appeals, the department expects the proposal to result in earlier alignment of interim steps with likely review outcomes. This expectation is based on feedback from licensing authorities. Using the ALMR profit data, the department estimates that the cost to business of lost profit as a result of interim steps will fall from £2.3 million each year to £1.9 million each year.

The department treats the costs to business of interim steps in line with review outcomes as appropriately associated with non-compliance with the law. By contrast, the department's assessment is that costs arising from interim steps that go beyond the review outcomes inappropriately impose costs that are not directly correlated to the offence. Therefore, the department's assessment is that removing these costs is a benefit associated with enabling the businesses' legally compliant activity. The RPC accepts that this is a reasonable approach to differentiating between the impacts on compliant and non-compliant business.

The RPC is able to validate the estimated equivalent annual net cost to business (EANCB) of -£0.3 million.

Quality of submission

The IA would have benefitted from either using more than one source of evidence for some of the key estimates (such as lost profit) or by providing further qualitative discussion supporting the estimates used. For example, it is not clear whether other sources could have been used to support the turnover and profit estimates in the IA. While further data sources would have been preferable, the RPC accepts that it may not have been proportionate to obtain and incorporate such evidence in this case.

Given the complexities in relation to the treatment of the benefits of the proposal and the interrelation with non-compliant behaviour, the department should consider including a section in the IA articulating more clearly the assessment of benefits in relation to the government's business impact target.

Before publication the IA should also be put into the current IA template, including clearly identifying on the summary pages the department's assessment of the proposal in relation to the scope of the business impact target.

Departmental assessment

Classification	Qualifying regulatory provision (OUT)
Equivalent annual net cost to business (EANCB)	- £0.32 million
Business net present value	£3.5 million
Societal net present value	£3.5 million

RPC assessment

Classification	Qualifying regulatory provision (OUT)
EANCB – RPC validated	- £0.3 million
Small and micro business assessment	Not required (deregulatory)



Michael Gibbons CBE, Chairman

Jeremy Mayhew (Committee member) did not participate in the scrutiny of this case to avoid a potential conflict of interest.